



WHAT DOES THE NEW MEDICARE Rx BENEFIT MEAN FOR PACE / PACENet BENEFICIARIES?

The Medicare Prescription Drug Law Allows Seniors to Benefit from the Best that Both Medicare and PACE Have to Offer. No One Is Forced to Choose Between the Two Programs.

The bill treats Medicare beneficiaries as seniors first and low-income second. As such, it makes the Medicare prescription drug benefit “primary” for low-income senior citizens, just as Medicare is the primary insurer for every other benefit (hospital, physicians, skilled nursing facilities, etc.). This ensures all low-income individuals receive universal assistance regardless of where they live in America.

The Medicare Prescription Drug Law Encourages PACE to Supplement Benefits

For those seniors below \$13,000 in annual income (135% of poverty), their premiums would be paid for by Medicare in advance. When seniors go to fill a prescription at the pharmacy, they would pay a minimal co-payment (between \$1 to \$5 per prescription) and leave with their medicines. There is no gap in coverage for these seniors, and Medicare will cover their premiums.

- In general, this is a better deal than PACE (which has a copayment of \$6 for generics and \$9 for brand-name drugs). About 422,000 Pennsylvania seniors will pay no more than \$5 for every prescription they fill. Not a penny more!

For those seniors whose income is between \$13,054 and \$14,505 (135% and 150% of poverty), part of their premiums and co-payments would be covered under Medicare. For all beneficiaries above 135% of poverty, ***PACE / PACENet would be encouraged to “fill in” or pay for any copayments, deductibles and other cost-sharing, so that most seniors would be better-off taking advantage of what both Medicare and PACE have to offer.***

Medicare Low-Income Subsidies:

Federal Poverty Level (FPL) 2006	Income Level – Individual	Income Level – Couple	Coinsurance / Co-payment
100% FPL	\$9,670	\$13,051	\$1 generic \$3 brand
100-135% FPL	\$13,054	\$17,618	\$2 generic \$5 brand
135-150% FPL	\$14,505	\$19,576	15%

PACE / PACENet Can Pay For Cost-Sharing, Expand Eligibility

Also, the income thresholds under the new Medicare prescription drug bill (low-income and catastrophic protection) are indexed each year to changes in the cost of living. PACE / PACENet income thresholds are fixed and do not change year-to-year. Thus, under the new Medicare benefit, seniors would not be forced to “hide” their income or stop working to take advantage of prescription drug assistance.